Service Provider Initiative 4: Centralized IT Procurement Process – Working Document

Key Activity: 1	Recommend communications programs between agencies, ICN and DAS
Description SLA's, cost projections, problem escalation, performance measures, business process impacts, BPR, marketing strategy, transition approaches, grandfathering (staff hours – 400 hours)	

Priority (H, M, L)	Risk (L, M, H)	Incremental Cost ($000's)	Time to Complete (months)
H	M	$0	1 month and then ongoing

Considerations and Mitigation Approach (n/a if not applicable)

Legislative: n/a
Administrative Rules: n/a
Cultural: Sensitivity to cultural 'history'; good communications skills – mitigation is carefully choosing the members, department director leadership, and ownership
Dependencies on other groups: n/a

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Key Activity: 2	Conduct or provide input to a 3rd party spend analysis

Description
Provide input to a 3rd party spend analysis and categorize - e.g., funding source, hardware, software, telecom, staff augmentation and professional services; and service agreements Extraction from Accounts Payable system(s) and categorization (by agency) of funding source, supplier, hardware, software, telecommunications, staff augmentation and professional services. Data will need to be reviewed to assure comparability among agencies. Data regarding number of transactions, face value of each transaction, frequency of transaction (recurring, one-time, etc.). Subsequent effort includes establishing a planned format for review and then the examination of existing contracts and license detail.   PSG initiative, $150K.   Follow-up by agency staff of 200 hours x 40 agencies = 8000 hours

Priority (H, M, L)	Risk (L, M, H)	Incremental Cost ($000's)	Time to Complete (months)
H	L	$0 - $150k	3 – 6 months

Considerations and Mitigation Approach (n/a if not applicable)

Legislative: appropriations if EIP has to conduct
Administrative Rules: n/a
Cultural: Time to gather info and put data into the Analyst's models

Dependencies on other groups: Public Strategies Group is leading the initiative for all (not just IT) spending

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Key Activity: 3	Identify roles among agencies, a central IT procurement process, and other purchasing groups

Description
• Develop draft redesigned process representing suggested 'best practices' • <mark>Suggest changes to Enterprise Procurement System (I/3)</mark> • Understand roles and responsibilities • <mark>Recommend scope (e.g., all suppliers with multi-agency sales, all single-agency suppliers with sales > $100k, etc.)   ejc</mark> • Review implications of 'locating' the Central IT Process within ITE or as a specialty function within GSE (among other choices) • Consider staff requirements • Levels and numbers of approval • Dollar thresholds, within/outside of approved budgets • SLA's Review past initiatives (lessons learned)

Priority (H, M, L)	Risk (L, M, H)	Incremental Cost ($000's)	Time to Complete (months)
H	M	$0 - $300k	1500 hours 2 - 3 months

Considerations and Mitigation Approach (n/a if not applicable)

Legislative: n/a

Administrative Rules: n/a
Cultural: n/a
Dependencies on other groups: n/a

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Key Activity: 4	Investigate correlation between current practice and proposed model process

Description
• Interview instrument designed; (face to face) • Refine model based on feedback from 3 • The procurement process must consider cash flow, when, how and what to buy & receive, funding streams • Non-State funding and requirements • <mark>Current agency performance standards against goals and how reported - ejc</mark> • Methodologies employed (RFP, detailed spec writing, drawing against existing contracts) • What are the Procurement resources and how do they divide IT and non-IT spending and resources • Approvals and dollar amounts 1500x3 = 4500 hours + 3000 = 7500

Priority (H, M, L)	Risk (L, M, H)	Incremental Cost ($000's)	Time to Complete (months)
H	L	$0k - $150K	6 – 9 months

Considerations and Mitigation Approach (n/a if not applicable)

Legislative: n/a
Administrative Rules: n/a
Cultural: n/a
Dependencies on other groups: Availability of internal staff to participate

Key Activity: 5	**Develop New Processes**

Description
Rule review in 4, Waiver processes in 4, Grandfathering in 4 move these New processes will be developed and tested Process maps will be documented, available and reviewed periodically for currency. Process tasks will be defined and documented. Changes to rules and other standards will be described with documented plans to incorporate such changes. Appropriate documentation will be made available on Iowa's Intranet. A communications plan will describe the means by which the new processes are introduced to a given agency.

Priority (H, M, L)	Risk (L, M, H)	Incremental Cost ($000's)	Time to Complete (months)
H	n/a	internal	**3 months 1500 hours**

Considerations and Mitigation Approach (n/a if not applicable)

Legislative: n/a
Administrative Rules: n/a
Cultural: n/a
Dependencies on other groups: n/a

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Key Activity: 6	Recommend performance management goals and reporting to Business Oversight Group
Description Identify the goals and measures reported to an 'oversight' group	

Priority (H, M, L)	Risk (L, M, H)	Incremental Cost ($000's)	Time to Complete (months)
H	unknown	$0	1 month 300 hours

Considerations and Mitigation Approach (n/a if not applicable)

Legislative: n/a
Administrative Rules: ==need 'real penalties' for non-performance==
Cultural: Aligning different agency expectations and calming fears;   Mitigated by communications programs and Customer Councils, establishing trust via performance;
Dependencies on other groups: n/a

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Key Activity: 7	Recommend a strategy by which each agency transitions into the Central IT Process

Description

- Sequencing (which agencies start first, second, etc.)
- Implications of existing contracts and cooperative agreements
- Evaluate transition costs, cost savings and other business impacts
- Estimate transition and migration costs while balancing risks and developing mitigation approaches - ejc
- Recognize value of existing processes and resources
- Review past practices and lessons learned
- Build transition project plan with intent to review for lessons learned following each transition - ejc

300 plus 40 hours times 40 agencies = 1900

Priority (H, M, L)	Risk (L, M, H)	Incremental Cost ($000's)	Time to Complete (months)
H	H	$0 - $150k	1 – 3 months

Considerations and Mitigation Approach (n/a if not applicable)

Legislative: n/a
Administrative Rules: n/a
Cultural: Sensitivity and history, program requirements; resistance to change – mitigated by performance and flexibility
Dependencies on other groups: n/a

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Key Activity: 8	Recommend a Performance-Based Partnering Strategy
Description	

Description

- <mark>Establish scope, define 'commodity, preferred & strategic vendors; consider Iowa's targeted supplier base – (diversity, Iowa-based, etc)</mark>
- Notify suppliers of Iowa's intent to centralize
- Very close link between Central IT Process and Federal funding and general accounting principles (GAAP)
- Identify tracking requirements for I/3 – or other system – to track this data
- Review prior efforts and lessons learned
- Review reciprocal agreements for data sharing, memorandums of understanding, etc
- Review and estimate department cost impact.

1500 hrs

Priority (H, M, L)	Risk (L, M, H)	Incremental Cost ($000's)	Time to Complete (months)
H	M	$0 – $75k	3 months

Considerations and Mitigation Approach (n/a if not applicable)

Legislative: n/a
Administrative Rules: n/a
Cultural: Aligning different agency expectations and calming fears;   Mitigated by communications programs and Customer Councils, establishing trust via performance
Dependencies on other groups: Possible systems changes to capture / report this data